United Nations E/2007/L.30

Economic and Social Council

Distr.: Limited
25 July 2007

Original: English

Substantive session of 2007
Geneva, 2-27 July 2007
Agenda item 13 (h)
Economic and environmental questions: international cooperation in tax matters

Draft resolution submitted by the Vice-President of the Council, Léo Mérorès (Haiti), on the basis of informal consultations

Committee of Experts on International Cooperation in Tax Matters

The Economic and Social Council,

Recalling its resolution 2004/69 of 11 November 2004, in which the Council decided that the Ad Hoc Group of Experts on International Cooperation in Tax Matters should be renamed the Committee of Experts on International Cooperation in Tax Matters,

Recognizing the call made in the Monterrey Consensus of the International Conference on Financing for Development[1] for the strengthening of international tax cooperation through enhanced dialogue among national tax authorities and greater coordination of the work of the concerned multilateral bodies and relevant regional organizations, giving special attention to the needs of developing countries and countries with economies in transition,[2]

Taking note of the report of the Secretary-General on the implementation of and follow-up to commitments and agreements made at the International Conference on Financing for Development[3] and of the recommendations contained therein,

Recognizing the need for an inclusive, participatory and broad-based dialogue on international cooperation in tax matters,

Noting the activities developing within the concerned multilateral bodies and relevant regional organizations,

---

[1] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[2] Ibid., para. 64.

[3] A/58/216.

07-43818 (E) 250707

1. *Takes note with appreciation* of the report of the Committee of Experts on International Cooperation in Tax Matters on its second session[4] and the significant progress of the Committee's work;

2. *Notes* that the Committee has broken new ground in working on new and emerging issues, such as services, improved dispute resolution, tax issues related to Islamic financial instruments and the taxation of development projects, as well as adopting a new article and Commentary on the developing area of mutual assistance in the enforcement of tax debts;

3. *Recognizes* that the Committee agreed to create, as necessary, ad hoc subcommittees and working groups composed of experts and observers who would work throughout the year according to the Committee's rules of procedure to prepare and determine the supporting documentation for the agenda items, including requests for papers by independent experts, for consideration at its regular session;[5]

4. *Notes* that four subcommittees on substantive matters, namely, treaty abuses, mutual assistance in collecting tax debts (which finalized its work in November 2006), definition of permanent establishment and exchange of information, and two working groups, on arbitration in taxation matters and on the Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries, were created at the first session of the Committee;

5. *Also notes* that the existing working group on arbitration in taxation matters has been reconstituted as a subcommittee on dispute resolution and that a new working group on treatment of Islamic financial instruments has been created;

6. *Recognizes* that in order to deal with issues relating to the agenda on a continuous basis, subcommittees should use electronic communications where possible, but that the efficient operation of these subcommittees may in future require some face-to-face meetings;

7. *Also recognizes* that the participation in subcommittee meetings by members from developing countries and countries with economies in transition is critical to ensuring an inclusive and effective completion of the drafting activities of the subcommittees;

8. *Notes with gratitude* the establishment by the Secretary-General of the trust fund to supplement regular budget resources, and urges all Member States and relevant organizations to contribute generously to the fund;

9. *Invites* the Committee to continue to organize training workshops for developing countries and countries with economies in transition as part of the work required to carry out its mandate, which includes making recommendations on capacity-building and providing technical assistance;

10. *Recommends* that the General Assembly, at its sixty-second session, consider options to ensure adequate financing of the work of the Committee, including those contained in the report of the Committee at its second session;

---

[4] *Official Records of the Economic and Social Council, 2006, Supplement No. 45* (E/2006/45).

[5] *Official Records of the Economic and Social Council, 2005, Supplement No. 25* (E/2005/45), para. 15.

11. *Decides* that the third session of the Committee shall be convened in Geneva from 29 October to 2 November 2007;

12. *Approves* the provisional agenda for the third session of the Committee as contained in paragraph 63 of the report on its second session.